TRA Employer Overview:
SWWC Conference

Margaret Sullivan
Katie Wakefield

Data Integrity

April 11, 2024

TRA | TEACHERS RETIREMENT ASSOCIATION

Agenda

In this presentation, we will cover:

- ✓ **_TRA Contribution Rates_**
- ✓ **_Payroll Reporting_**
- ✓ **_Payroll Corrections_**
- ✓ **_Eligibility_**
- ✓ **_Payment Types_**

- ✓ **_Year-End Reports_**
- ✓ **_TRA Reporting Corrections_**
- ✓ **_Late Fees_**
- ✓ **_Legislative Updates_**
- ✓ **_Employer Communications_**

Current Status of TRA

o   Approximately 84,000 active members

o   Approximately 70,000 retirees, survivors, beneficiaries, and disabilitants who
    are receiving a monthly benefit

o   Funded ratio was 76.85% as of June 30, 2023

TRA Contribution Rates

Effective Dates	Employee Contribution Rate	Employer Contribution Rate
7/1/2022 through 6/30/2023	7.50%	8.55%
7/1/2023 through 6/30/2025	**7.75%**	**8.75%**
7/1/2025 and after	8.00%	9.50%

When an employer contribution rate changes for a fiscal year, the new contribution rate is effective based on the payment date, paid date or check date.

Payroll where pay period is from 6/15/2024 – 6/30/2024 but payment date is 7/15/2024 use new employee deduction and employer contribution rate

Payroll Reporting

➢ There are two ways to submit your payroll file:

  ➢ Payroll file using your payroll reporting software

  ➢ Manual submission- Ideal for new charter schools who have less than 25 TRA-eligible employees

➢ You must provide demographic records for new employees before submitting your manual payroll

Payroll Reporting

➢ User must have a Username and Password
➢ Go to **Payroll Submission** on the MyTRA Employer Portal and select **New**

➢ Payroll will be split into a demographic file and a payroll file

Payroll Reporting

Annual Base Salary

Organization Calendar

Demographics

EFT Payments

Payroll

Payroll Submissions

Search Criteria

File Id:	
Submission Date:	▦ – ▦	Status:

Search   Reset   New

Payroll Reporting – Pay Period Dates

o The payment date must reflect the date that the salary was paid.

o For purposes of service credit, the payroll report must accurately reflect the
pay period begin and end dates.

FY	Payment Date	PP Begin Date	PP End Date
2024	12/15/2023	12/1/2023	12/15/2023

Payroll Reporting – Contract Payoffs

o Dates of contract should be entered for contract payoffs paid in FY 2024
o Contribution rates would be according to FY 2024

Examples:

FY	Payment Date	PP Begin Date	PP End Date
2023	7/15/2023	9/1/2022	6/30/2023

or

FY	Payment Date	PP Begin Date	PP End Date
2023	7/15/2023	1/4/2023	6/30/2023

or

FY	Payment Date	PP Begin Date	PP End Date
2023	7/15/2023	10/1/2022	6/30/2023

Payroll Corrections – Missed Contributions

Example: Hired a teacher who told you they were retired, but they **are not** retired from TRA.

Originally reported record:

FY	Payment Date	PP Begin Date	PP End Date	Salary	TRA EE	TRA ER
2024	12/15/2023	12/1/2023	12/15/2023	$1500	$0.00	$0.00

Issue: School reported the teacher's earnings, but did not report employee and employer contributions.

Correction to Report Contributions

How do I fix the missed contribution reporting?

o Submit two payroll records for the employee the next pay period:

   o First record reports the employee's new earnings

   o Second record reports the adjustment for the missed contributions from the previous check

Correction submitted with next payroll:

FY	Payment Date	PP Begin Date	PP End Date	Salary	TRA EE	TRA ER
2024	12/31/2023	12/16/2023	12/31/2023	$1500	$116.25	$131.25
2024	12/31/2023	12/1/2023	12/15/2023	$0	$116.25	$131.25

Reported Contributions in Error

Example: Hired a teacher and they forgot to tell you they **are** retired from TRA
Incorrect Record and Adjustment:

FY	Payment Date	PP Begin Date	PP End Date	Salary	TRA EE	TRA ER
2024	12/15/2023	12/1/2023	12/15/2023	$500	$38.75	$43.75
2024	12/31/2023	12/1/2023	12/15/2023	-$500	-$38.75	-$43.75

This adjustment is incorrect because it zeroes out the salary and contributions.

Reported Contributions in Error

o Submit two payroll records for the employee the next pay period:
   o First record reports the employee's new earnings – with no EE or ER
   o Second record is the adjustment to reverse the EE and ER from the last check
   Correction submitted with next payroll:

FY	Payment Date	PP Begin Date	PP End Date	Salary	TRA EE	TRA ER
2024	12/31/2023	12/16/2023	12/31/2023	$500	$0	$0
2024	12/31/2023	12/1/2023	12/15/2023	$0	-$38.75	-$43.75

This adjustment is correct because it only reverses the contributions while still reporting salary for the TRA earnings limitation.

Eligibility

o TRA-eligible teaching service is defined by Minnesota Statutes, section 354.05, subdivision 2, in part, as:
  - o *service as a teacher, supervisor, principal, superintendent, librarian, nurse, counselor, social worker, therapist, or psychologist in a public or charter school of the state (excludes ISD 625 – St. Paul Public Schools)*

o TRA eligibility is based on the role or position of the employee

o Please check with your auditor contact at TRA if you have any questions.

Who is Not Eligible

- Staff that are operational such as business (e.g. Finance, HR), custodial, and food service staff (full-time and part-time)

- Employees who are under the supervision of a teacher, such as a paraprofessional

- Student teacher interns

- Substitute teachers contracted through third-party providers, such as Teachers On Call or any other staffing agency

- Seasonal activities only employees (coaches, event workers, officials, and chaperones)

TRA Payment Types

TRA Values		Reported Values
Transaction Type:	Pay Record	01
Payment Type:	01 : Regular Activity	01

o 01: Regular Activity – Used for the regular contract salary of the employee for the teacher's regular assignment

o 02: Extracurricular – Used for coaching/activities and other related non-teaching assignments. Community Education Instruction should continue to be reported as 02: Extracurricular.

   o For members who are also teaching, this is considered eligible under the 50% rule.

   o For administrators, substitute and extracurricular pay is generally not eligible as services in addition to the normal work year contract and performed on an extended duty/non-duty day.

My Messages   1-800-657-3853.

TRA Payment Types

TRA Values		Reported Values
Transaction Type:	Pay Record	01
Payment Type:	01 : Regular Activity	01

- 03: Substitute Salary – Used for substitutes who are employed by the district and for teaching-related assignments such as classroom prep time, department chair position, and stipend for school board chair position, Adult Basic Education and Drivers Education Instruction. For teachers, this pay is TRA-eligible and using pay code 03 will prevent it from being flagged in our annual eligibility review. (For administrators, Adult Basic Education and Drivers Education is not eligible)

- 09: Q-Comp/Performance pay – Used for Q-comp payments, performance bonuses, and retention bonuses for teachers

- If you are not sure about payment type, call or message us through My Messages (select General Employer Questions from the drop down

My Messages   1-800-657-3853.

Ineligible Salary

o   Do not report the following salary to TRA:

   o   Lump-sum payouts of vacation and sick time

   o   Severance payments

   o   Workers' compensation payments

   o   Disability payments

   o   Employer-paid fringe benefits used by an employee (e.g. cell phone reimbursement)

Ineligible Salary for Administrators

o Ineligible salary for administrators includes:

   o *"payments to school principals and all other administrators for services that are in addition to the normal work year contract if these additional services are performed on an extended duty day, Saturday, Sunday, holiday, annual leave day, sick leave duty, or any other nonduty day" (Minnesota Statutes, section 354.05, subdivision 35, paragraph (b))*

o Coaching/activities pay is ineligible for administrators

o Administrators may receive this salary, but it should not be reported to TRA, even if the duties are listed in their contract.

o If you are not sure of salary eligibility, call or message us through My Messages (select General Employer Questions from the drop down).

✉ My Messages   1-800-657-3853.

Employees with Multiple Roles

o Concurrent 50% Rule: Employees in both a TRA and PERA role throughout the entire fiscal year when 50% or more of their total salary is TRA-related:
   o Report all salary to TRA.

o "Clean break": When an employee resigns from a PERA-related job and accepts a TRA-related job, start reporting to TRA as of the role change date, and vice versa.
   o Examples:
      o Dan starts out working in the classroom under the supervision of a teacher. Then Dan accepts a long term substitute teacher position at the end of the school year. **PERA → TRA**

      o Erin was hired to teach some business courses and a position opens up in Accounts Payable in the Business Department. She applies and is hired into the new role. **TRA → PERA**

Employees with Multiple Roles - continued

More Examples:

- Paraprofessional who also substitute teaches – Report all salary to TRA.
- Report as follows:
    - Paraprofessional work – 02: Extracurricular
    - Substitute teaching work – 03: Substitute

- PERA employee accepts Long-Term Sub (LTS) role – Update the employee to TRA for the LTS role.
    - One LTS role in the fall – treat this like change in service. Report to TRA during the LTS role, switch back to PERA when they return to the paraprofessional position.

    - Several LTS roles during the year – Report to TRA for the entire fiscal year.

Annual Base Salary – Contract

Outstanding Tasks		
Status	**Task**	**Priority**
Ready	Enter Annual Base Salary	Normal

o Annual Base Salary (ABS) is used to calculate members' service credit.

o If your district has a Contract, it will need to be reported every year.

Collective Bargaining Agreement/Master Agreement	
Are your teachers covered under a collective bargaining agreement/master agreement?	○ Yes ○ No *

o You will receive workflow that says "Enter Annual Base Salary"

o Upload the following three pages:
  o Cover page that shows the terms of the contract
    o Example: July 1, 2023 through June 30, 2025

  o Salary schedule for 2023-2024 for FY 2025 Service Credit

  o Signature page where all parties signed the agreement. It must be signed and dated.

Annual Base Salary – No Contract

o For charter schools – TRA needs a letter on official school letterhead indicating the lowest salary that would have been offered for a <u>newly hired, entry level, full-time teacher</u> during the previous fiscal year.

o It must be signed by a director or HR representative stating that salary amount is accurate

Year-End Reports

o **Over/short:** Overages and shortages of contributions are monitored through payroll. An invoice will be sent for omitted contributions.

o **Eligibility form (5630):** Form to verify salary in question will be sent out from TRA. Please confirm salary amount and pay type. Submit any clarifying information in the comment box.
   o Example: Is $1,500 salary correct? Yes – it was for seasonal coaching.

   o **Sports/Activities Sharing Agreements:** Please note schools that you have a sharing agreement with on the 5630.
      o When a sharing agreement is in place, a member's coaching at a sharing school is eligible if they teach at the other school.
      o TRA may request a copy of the sharing agreement.

Eligibility - Individuals listed may not be eligible for coverage with TRA, since 100 % of reported salary are extracurricular pay. Verify the reported extracurricular salary for each individual and report corrections to the amount in the space provided.

Name	TRA No	Reported Extracurricular Salary	Corrected Extracurricular Salary	You are required to complete this column. Description of Extracurricular Salary

Earnings After Retirement

o **Earnings Limitation:** Form required for any retired TRA members who are not reported through payroll.
- o Limit is $46,000 per fiscal year
- o Note: 2022 legislation suspended the earnings limitation for Pre-K – 12 staff for salary earned in FY 2022, 2023, and 2024.

Annuitant Earnings After Retirement for July 1, {PreviousCalendarYear} to June 30, {CurrentCalendarYear}

Please refer to the Annuitant Earnings After Retirement Instructions before completing this form. It is due in the TRA office on October 15, {CurrentCalendarYear}.

TRA Number	Last Name, First Name, MI	Social Security Number	Position Code	Salary Prior to Month Reaching Normal Retirement Age	Salary Earned For the Period July, {PreviousCalendarYear}1 – June 30 {CurrentCalendarYear}

TRA Reporting Corrections

TRA auditors may contact you regarding:

o **Shortage:** TRA will bill the school for any underreported contributions associated with the member's eligible earnings.

o **Refund:** Refund the member and school for overreported contributions. (Example: wrong contribution rates being used or reported earnings that are deemed ineligible.)

o **Transfer of Service:** If TRA learns that a member was reported to the wrong pension fund (e.g. reported to PERA but was in a TRA-eligible role),
   o School updates reporting going forward to the appropriate pension fund.
   o TRA determines if the erroneously reported service may be eligible for transfer. If it is, TRA will communicate directly with PERA.
   o Refund/shortage will generate if needed as a result of the service transfer (TRA contribution rates are higher than PERA rates).

Credits and Invoices – EFT Payment Screen

When TRA posts a refund or shortage to a member's account, the school may see an invoice (shortage) or credit (refund) on the EFT Remittance Payment Screen.

Payroll Reporting | Inqu...

- Annual Base Salary
- Organization Calendar
- Demographics
- EFT Payments
- Payroll
- Payroll Submissions

New

Unremitted Payrolls

Include in EFT	Payroll Identifier	Salary	Pay Date	Amount Due
	No records...			

Reset Grid

Outstanding Invoices

Include in EFT	Invoice Type	Member Name	Due Date	Amount Due
☐	Payroll Shortage - Employer	▮	3/31/2020	$ 830.86
☐	Delinquency - Payroll Submission		8/29/2020	$ 30.00

Reset Grid

Outstanding Credits

Include in EFT	Return Payment	Credit Type	Member Name	Remittance Date	Credit Amount
☐ OR	☐	Ineligible Salary - Non Licensed Position	▮		$ 114.80
☐	☐	Post Retirement/Invalid Earnings	▮		$ 10.16
☐	☐	Post Retirement/Invalid Earnings	▮		$ 118.64

Late Fees

Payroll must be reported and remittance payments made within 14 calendar days of the payment date (check date).

o **Late Payroll Submission** – Billed at $5/day

o **Late Employer Remittance** – Late fee is calculated based on an interest formula.
  o If there are any EFT payment issues with TRA/US Bank then the school will not be billed

Late fees will also generate for other missed reporting deadlines including:
o Annual Base Salary (due by June 30th)

o Part-Time Teacher Program Application (initial application due by October 1st)

If a school fails to pay an invoice, TRA may send a collection letter to MDE.

Union Leaves

o **Union Leaves** –

 o Leave begin date should be first day of the current fiscal year.

 o Leave should be reported the first day that the employee goes to work with the labor organization.

 o The member has 90 days from commencing employment with the labor organization to elect to contribute to TRA based on that employment.

Leave of Absence Application

Leave Period

For a Union Leave of Absence, the application must be submitted by fiscal year (i.e. July 1 - June 30):

For example:

If the leave of absence is granted for the time period of March 21, 2018 through November 21, 2018, then a leave of absence application must be submitted for each fiscal year of the time period as follows:

- Application for fiscal year 2018 with a Leave Begin Date = 03/21/2018 and Leave End Date = 06/30/2018
- Application for fiscal year 2019 with a Leave Begin Date = 07/01/2018 and Leave End Date = 11/21/2018

Enter the following leave dates:

Leave Granted Date: [ ] *

Leave Begin Date: [ ] *

Leave End Date: [ ] *

Cancel   Previous   Next

2024 Legislative Updates

o   No updates at this time

2024 Legislative Updates

2024 Legislative Updates

TRA's Employer Communication

o MyTRA Employer Portal link: https://connect.minnesotatra.org/

o Reminders and alerts to Employers in MyTRA Employer Portal

o Messages via email with reminders and newsletters

Preview Employer Alert

The latest edition of UPDATE (Employer newsletter) is now available on our website. Go to minnesotatra.org. Select the Employers tab then select forms/publications. Under publications select Winter 2020. If you have My TRA Employer portal bookmarked make sure to refresh your browser to pull in the latest edition.

Close

TRA's Employer Communication

My Messages

o My Messages in TRA Employer Portal: This secure messaging is used to communicate about payroll and demographic data.

o To send a message, select "**New**" and select a **Reason** from the drop down:

- o **General Employer Questions:** payroll issues, EFT payments, eligibility, transfers, workflow issues, and part-time and sabbatical leaves

- o **Leave of Absence Team:** all other leave questions

- o **Employer Payroll Audit:** TRA's internal audit department performing an audit on your school

o Employers may also contact TRA by phone: 800.657.3853

1-800-657-3853.

TRA's Public Website

o See the Employer page of our website for the latest publications, updates and information.

o https://minnesotatra.org/employers

Employers

MyTRA Employer Login

Eligibility

Payroll Reporting

Contribution Rates

Reporting Leaves

Your Contact Info

Forms/Publications

GASB

Employer Help